

**DRAFT**



CITY OF GAITHERSBURG  
MINUTES OF A SEPCIAL CITY COUNCIL MEETING  
BUDGET PUBLIC HEARINGS  
MAY 14, 2007

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A meeting of the Mayor and City Council was called to order at 7:30 p.m., Mayor Katz presiding. Council Members present: Alster, Edens, Marraffa, Schlichting and Sesma. Staff present: City Manager Humpton, Assistant City Managers Felton and Tomasello, Finance and Administration Director Belton, Senior Staff Members and Executive Assistant Stokes.

**I. PUBLIC HEARINGS**

**1. An Ordinance to Adopt the City Budget for the Fiscal Year July 1, 2007, Through June 30, 2008, and Levying an Ad Valorem Tax on all Assessable Property Within the City of Gaithersburg, Maryland**

City Manager Humpton presented an overview of the proposed FY 2008 City Budget. He stated that copies are available for the public at City Hall and can be reviewed on the City's website. He announced the scheduled budget work sessions to be held in the City Hall Council Chambers at 7:30 p.m. on Tuesday, May 15, 2007, and if necessary, on Thursday, May 17 and Tuesday, May 29, 2007. He announced that all sessions will be televised live on Channel 13. Mr. Humpton stated that the public hearing and notification of the constant yield tax rate were advertised in the April 25, 2007, issue of the *Gaithersburg Gazette*.

The proposed budget is guided by the eleven strategic directions approved by the Mayor and City Council and an annual Budget Forum that gives the public an opportunity to speak on budget issues which then is incorporated into the proposed budget. The City proposes to adopt a real property tax rate of \$.212 per \$100 of assessed value. In recent months, staff has had discussions of a possible real property tax rate reduction, but due to the need to fund several large capital projects and maintain an ever-growing infrastructure inventory, it was found not to be feasible. In addition, the cost of basic City expenses including gasoline, utilities, employee and retiree healthcare, and post-employment benefits have been rising. He noted several major Capital Improvement Projects in the design and planning stages such as the Gaithersburg Aquatic/Recreation Center complex, the new Youth Center in Olde Towne, and a new Senior Center facility.

City Manager Humpton stated that the total proposed City Budget, including operating and capital components, is 50.4 million dollars. The proposed Operating Budget of 38.6 million is up approximately 9.7 percent, while the proposed Capital Budget of approximately 11.6 million dollars is an increase of 10.2 percent. He stated that this year, the City plan to use reserve funds totaling approximately 3.5 million dollars, compared to approximately 3.3 million dollars used in FY 2007.

Staff has forecasted the FY 2008 revenues to increase by 10.4 percent. He stated that almost all revenue growth is found in two specific categories; real property taxes and miscellaneous revenues, and decreases are anticipated in a number of development-related permit categories, as well as grants from federal, state and county government. He further stated that the key concern for future budget years is protecting the revenue sources that municipalities receive from the State of Maryland in addition to funding opportunities from Montgomery County and the federal government, which will all be limited.

City Manager Humpton discussed the changes included in the proposed Operating Budget such as Personnel which includes the following five new full-time positions: two new Police Officers; Fire Inspector; Programmer Analyst; and a Project Manager in Public Works. Staff has determined that the vacant Project Manager position within the City Manager's Office be upgraded to become the City's Emergency Management Coordinator. Mr. Humpton added that many other governments and private businesses are experiencing large rate increases for current employee and retiree healthcare costs.

As part of the departmental initiatives, staff is further proposing to upgrade City police presence in the Olde Towne area and implement a pilot BEAT program or Directed Patrol Unit. The Environmental Affairs Division will be working to include an environmental assessment of the former Nike missile site on Muddy Branch Road, the development of residential and commercial green building requirements, planning and implementation of stormwater management and stream improvement projects, and an assessment of greenhouse gas emissions and climate protection strategies. Parks, Recreation and Culture budget reflects the implementation of projects related to the Cultural Arts Master Plan to include the expansion of weekend programming at the City Hall Concert Pavilion; the development and implementation of a comprehensive bicycle and pedestrian master; and coordinate a mentor program for at-risk youth at local high schools. In FY 2007, construction funding of \$140,000 was allocated for upgrades to the existing Senior Center facility. During FY 2008 and FY 2009, staff will complete pre-development activities related to determining space requirements and evaluation of sites for a new facility, and to determine the availability of County and State funding for the project. The Planning and Code Administration is working on development projects and land use proposals, including Crown Farm, Casey East, and the Watkins Mill Town Center and a major planning charrette relating to the Kentlands Boulevard Commercial District planned for September 2007. The Planning staff will also work with Economic Development staff on proposals related to the ongoing implementation of the Olde Towne District Master Plan, including the Archstone project on East Diamond Avenue.

The City Manager's Office plan to coordinate a comprehensive citizen survey to assess resident satisfaction with community amenities and the provision of City services, prepare for the 2007 City Election, develop a legislative program for the 2008 General Assembly, monitor the progress of the Watkins Mill Interchange, and advocate for other major transportation projects including the Corridor Cities Transitway. The City Manager's Office is also directly involved with affordable housing initiatives. Staff will continue to coordinate relocation assistance to residents displaced by redevelopment.

The Information Technology Department's budget reflects initiatives including the preparation of a comprehensive information technology disaster recovery plan, complete major police technology projects including in-car video and an enhanced crime analysis function, and upgrade existing portions of the City's application infrastructure, including the City's web presence and desktop publishing environment. The Economic Development staff will continue working with the Staubach Company to solicit qualified development proposals for two City-owned parcels in Olde Towne (the "Y" site and 315 East Diamond Avenue).

The Public Works, Parks Maintenance and Engineering Department will continue to focus on the maintenance of the City's growing infrastructure of roads, sidewalks, and parks. This department also provides excellent customer service through programs such as bulk pickup, snow removal, and recycling. The facilities division will lead the planning and development of several large capital projects, as well as undertaking a number of facility maintenance and building upgrade initiatives.

The FY 2008 Capital Improvements Plan (CIP) focused on new facilities, maintenance of existing infrastructure, and technology projects in several departments. The largest undertaking for 2008 will be the Gaithersburg Aquatic/Recreation Center. Design of the facility is currently underway and a construction contract is scheduled to be awarded early in FY 2009. Substantial funding needed to complete the project will be budgeted into the FY 2009 CIP. Mr. Humpton stated that the Mayor and Council directed staff to accelerate the Olde Towne Park Bell Tower project which

is an important component of the Olde Towne Master Plan. In FY 2008, funding of \$375,000 had been proposed for the project which provides for design and construction of a clock tower and expanded plaza area at the corner of Diamond and Summit Avenues in Olde Towne Gaithersburg. He stated that the project is now expected to move forward in FY 2009, contingent upon a private fundraising goal of \$100,000.

Proposed funding in the FY 2008 of almost \$850,000 will support stormwater management projects and a number of planned street lighting modifications. Major technology projects proposed include website content management software, timekeeping software, and an upgraded vehicle work order and stockroom management system. Additional funding will be used for facility access security improvements, critical server redundancy, crime analysis software, and police in-car digital video recorders. Mr. Humpton mentioned other projects of interest in the FY 2008 CIP, which includes \$318,000 for sidewalks, handicap ramps, and bike pathways, \$90,000 for renovation/improvements to existing parks, \$100,000 for facility improvements at City Hall, \$306,000 for facilities projects, \$45,000 for repairs and maintenance at Casey Community Center, and \$40,000 for a skateboard area at Lakelands Park. He further mentioned that a work session will be scheduled in the near future to discuss the pilot skateboard project.

In closing, staff recommended that the Mayor and City Council close their record for the budget on Wednesday, May 30, 2007 at 5 p.m., with final adoption expected during the Monday, June 18, 2007 regular meeting. City Manager Humpton thanked staff, members of the City's boards, commissions and committees, participants in the Budget Public Forum, and the Mayor and Council for their involvement and efforts in the City's annual budget process.

Speakers from the public were:

1. *Blanche Keller, 911 Wild Forest Drive*, expressed disappointment that the City has proposed two fiscal years to determine space requirements, site location, and the availability of county and State funding for a new senior center. Expressed support for the Casey East amendments to the approved plan to include a new senior center. Asked the City to establish a committee to accomplish what the City is proposing to do in two fiscal years.
2. *Rachel Hopp, 1371 Main Street*, expressed opposition to the proposed funding for the Lakelands skate park due to the close proximity of the homes and concerns of it being an unsupervised facility.
3. *Roy Fleischer, 444 Placid Street*, expressed opposition to the funding of a skate plaza and echoed concerns with its proximity of the homes and a worship facility.
4. *Brett Cosor, 306 Alfandre Street*, asked that the proposed emergency management position be integral with the police department and not the City Manager's Office. Expressed concern with the Nike site being proposed for another park and asked that the site be considered for a new police station.
5. *Dan Gerendasy, 453 Lakelands Drive*, supported funding the proposed Lakelands skate park. He stated that noise should not be a concern and that skating is a sport.
6. *Jeannie Pizzonia, 9816 Islandside Drive, Montgomery Village*, thanked the Mayor and City Council and staff for their efforts to have the funding of \$50,000 reconsidered by the County Council for the proposed new senior center.
7. *Mike Aubrey, 704 Market Street East (Lakelands Board)*, asked the City to remove the word bowl from the proposed skate park plan and if built, that it preferably be located at the aquatic recreation center on the backside of the GE property to have less impact on nearby homes.
8. *Beth Richard, 1372 Main Mews*, opposed to the skate park because of the lack of due process. She stated that it had not been budgeted and is not a part of the City's Master Plan. She also expressed opposition to the proposed site.

9. *Jessica Emani, 1371 Main Street*, expressed opposition to fund the proposed skate park. She stated that she is concern with the proximity of the homes, loitering, and the lack of supervision.
10. *Cathy Dryzgula, 16 Walker Avenue*, noted an error in the City Budget in Dept 1131, and asked that the Mayor and City Council not hold three Council in the Communities meetings per month. She applauded the increase for technology. Comment on the suggestion that no City property be sold in FY 2008 and asked that the Youth Center be sold before rather than not at all. She asked that the expense of the new aquatic recreation center not make other priorities such as the senior center difficult. Expressed concern with future funding from the state and county.
11. *Harold Rodenberg, 713 Bright Meadow Drive*, asked that the City consider having multiple skate parks throughout the City to avoid a concentrated number of youth in one area. Asked that the proposed plan be expanded or postponed.
12. *John Judge, 1333 Main Street*, opposed to the proposed skate park stating that it's contrary to the intent of the Lakelands Park and expressed concern with the impact on the residence and security of the area.
13. *Annabelle Gerendasy, 453 Lakelands Drive*, expressed support for the proposed skate park. She also expressed concern for the safety of the youth skating in the streets due to the lack of a facility.

There were no other speakers at the hearing.

Council Member Sesma expressed concern with the following key priorities discussed and agreed upon by several City Council members during their annual retreat that are not included in the draft budget:

- support to move forward without the private funding obligation for the clock tower project;
- continue to develop the homeownership program for tenants displaced by redevelopment;
- become aggressive and proactive to increase the police force, more than the proposed two position;
- suggest moving dollars from the Capital Improvement Budget and referred to the two million not committed for any specific expenditures; he noted account #'s CIP 79-3, 79-5, 81-4, 82-1, 83-1, 91-3, 00-1, 01-2, and 00-0;
- emergency management coordinator position in the Office of the City Manager without discussion by the Mayor and City Council and stated the City will be better served to continue to have a senior police officer handle the responsibility; and
- more information about the anticipated undesignated fund balance for the FY'08 budget.

Motion was made by Council Member Alster, seconded by Council Member Edens, that the City Council record on the above, be held open until the close of business on Wednesday, May 30, 2007.

Vote: 5-0

**2. Public Hearing to Establish a Constant Yield Tax Rate and Proposed Property Tax Increase for the City of Gaithersburg for FY 2008**

Finance and Administration Director Belton stated the public hearing was introduced on May 7, 2007 and advertised in the *Gaithersburg Gazette* on April 25, 2007. He stated that if the City maintains the \$.212 per \$100 of assessed value property tax rate, the property tax revenues will increase by 11.9 percent. In order to collect the same amount of property tax revenue as last year, the City would need to reduce the tax rate to \$.190 per \$100 of assessed value; however, the City is proposing a tax rate of \$.212. The established tax rate will be voted on by the City Council on June 18, 2007.

There were no speakers at the hearing.

Motion was made by Council Member Marraffa, seconded by Council Member Sesma, that the City Council record on the above, be held open until the close of business on Wednesday, May 30, 2007.

Vote: 5-0

**II. ADJOURNMENT**

There being no further business to come before this session of the City Council, the meeting was duly adjourned at 8:30 p.m.

Respectfully submitted,

*Doris R. Stokes*

Doris R. Stokes  
Executive Assistant